



**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET 2018/2019,
2019/2020 AND 2020/2021**

1 EXECUTIVE SUMMARY

The purpose of the report is to seek council approval to allow consultation processes to unfold on the Medium Term Revenue and Expenditure Budget Framework 2018/19, 2019/20 and 2020/21 financial year.

2 BUSINESS PLAN

None

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

Good governance and Municipal financial viability

4. POLICY

TMDM Budget Policy

5. ANNEXURE

Draft MTREF Budget 2018/19, 2019/20 and 2020/2021

National Treasury Circular

TMDM Reviewed budget policies

6. DELEGATED AUTHORITY

Council

7. LEGAL REQUIREMENTS

- Local Government: Municipal Finance Management Act No. 56 of 2003,
- Local Government: Municipal System Amendment Act No. 32 of 2000,
- Division of Revenue Act of 2018

8. BACKGROUND

In terms of Section 16 of the Municipal Finance Management Act No. 56 of 2003 – S16(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year. S16(2) In order for a municipality to comply with subsection (1), the Executive Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The Draft MTREF Budget 2018/2019 was compiled and aligned to the draft Integrated Development Plan and the following National Treasury circulars were taken into account:

- Municipal Budget Circular for the 2018/19 MTREF - MFMA Circular No. 89 and 91
- Municipal Budget Circular: Cost containment measure - MFMA Circular No. 82
- Division of Revenue Bill (Gazette 41432),
- MFMA previous guidelines and circulars, and
- Municipal Budget and Reporting Regulation

9. FINANCIAL IMPLICATIONS

- Total operating revenue of R 126 027 478 and
- Total operating expenditure of R 126 027 478

10. STAFF IMPLICATIONS

None

11. RISK IMPLICATIONS

None

12. RECOMMENDATION

It is recommended

- i. The Council of Thabo Mofutsanyana District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approve the Draft MTREF Budget for the financial year 2018/2019 and two outer years:
 - a. The annual budget of the municipality for the financial year 2018/2019 and the multi-year and single-year capital appropriations as set out in the following tables:
 - Budgeted Financial Performance (revenue and expenditure by standard classification);
 - Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - Budgeted Financial Performance (revenue by source and expenditure by type); and
 - Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
 - b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - Budgeted Financial Position;
 - Budgeted Cash Flows;
 - Cash backed reserves and accumulated surplus reconciliation
 - Asset management; and
 - Basic service delivery measurement.

Submitted by



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CLLR MALEFU VILAKAZI

EXECUTIVE MAYOR: TMDM